Title:	**CORPORATE GOVERNANCE COMMITTEE CHARTER**
Committee Name:	**Corporate Governance Committee**
Short Name:	**CGCom**
Nature:	*BSP & SEC-required* Board-level Committee
Responsibility Statement:	The CGCom shall assist the Board of Directors in fulfilling its corporate governance responsibilities including the functions that were formerly assigned to the Nomination Committee and Remuneration Committee and in providing oversight in the implementation of the Bank's Compliance System.
Duties & Responsibilities:	In line with the CGCom's mandate to assist the Board of Directors in fulfilling its corporate governance responsibilities, it shall: 1. **Oversee the implementation of the Bank's corporate governance framework.** The CGCom shall periodically review the same to ensure that it remains appropriate in light of material changes to the Bank's size, complexity and business strategy, as well as its business and regulatory environments. It shall adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance. 2. **Oversee the nomination process for members of the Board of Directors and for positions appointed by the Board of Directors.** The CGCom shall review and evaluate the qualifications of all persons nominated to the Board of Directors as well as those nominated to other positions requiring appointment by the Board of Directors. The CGCom shall recommend to the Board of Directors matters pertaining to the assignment to Board committees, as well as succession plan for the members of the Board of Directors and Senior Management. 3. **Review and approve the proposed changes to the Bank's Succession Planning Policy.** 4. **Oversee the continuing education program for the Board of Directors.** The CGCom shall ensure allocation of sufficient time, budget and other resources for the continuing education of directors, and draw on external expertise as needed. The committee shall establish and ensure effective implementation of policy for onboarding/orientation program for first time directors and annual continuing education for all directors. For this purpose, the orientation program for first time directors shall be for at least eight (8) hours, while the annual continuing training shall be at least for four (4) hours. The training programs should cover topics relevant in carrying out their duties and responsibilities as directors. 5. **Oversee the performance evaluation process.** The CGCom shall oversee the annual evaluation of contribution and performance (e.g., competence, candor, attendance, preparedness and participation) of the Board of Directors as a body, the individual directors, the Chairman, the Board-level committees, the President, the Management-level

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	committees and the heads of the control functions (i.e. Chief Risk Officer, Chief Compliance & Data Protection Officer, Chief Audit Executive and Fraud Management Group Head). It shall ensure that the results thereof are shared, discussed and that concrete action plans are developed and implemented to address any identified areas for improvement. Further, it shall adopt internal guidelines that address the competing time commitments of directors serving on multiple boards in order to determine whether or not a director or officer, who has multiple positions, is able to and has been adequately carrying out his/her duties and, if necessary, recommend changes to the Board based upon said performance/review. Specifically for the Chief Compliance & Data Protection Officer (CCDPO), the CGCom shall also take into account the performance evaluation results of the Related Party Transactions Committee (RPTC) and the AML Oversight Committee (AMLOC) with respect to the CCDPO's RPT and AML/CFT responsibilities to ensure a holistic assessment of his performance. 6. **Oversee the design and operation of the remuneration and other incentives policy.** The CGCom shall ensure that the remuneration and other incentives policy is aligned with operating and risk culture as well as with the strategic and financial interest of the Bank, promotes good performance and conveys acceptable risk-taking behaviour defined under its Code of Ethics, and complies with legal and regulatory requirements. It shall work closely with the Risk Oversight Committee (ROC) in evaluating the incentives created by the remuneration system. In particular, the ROC shall examine whether incentives provided by the remuneration system take into consideration risk, capital, and the likelihood and timing of earnings. Moreover, it shall monitor and review the remuneration and other incentives policy including plans, processes and outcomes to ensure that it operates and achieves the objectives as intended. 7. **Oversee the implementation of the Bank's Compliance Program (BCOP), Financial Consumer Protection Compliance Program (FCP), Trust Compliance Program (TCP), Data Privacy Policy (DPP) including the Policy on Retention & Disposal of Records Containing Personal Information and Data Privacy Policy Governing the Use of CCTV Systems, Policy on Interlocking Positions, Policy Against Insider Trading and other compliance policies as well as the performance of compliance function relative thereto**, as follows: a. Ensure that oversight on the Bank's compliance management, through the BCOP, FCP, TCP, DPP and other compliance policies, are adequate; b. Review, at least annually, the BCOP, FCP and TCP to keep them updated in accordance with existing regulatory requirements and in support of the Bank's goals, ensure its effectiveness and recommend approval thereof by the Board or, if there are no changes/updates, approve the same subject to confirmation of the Board of Directors; c. Monitor the implementation of the BCOP, FCP, TCP, DPP and other compliance policies and ensure that compliance issues are resolved expeditiously;

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	d. Monitor the Bank's compliance with the applicable laws, regulations and rules of regulatory agencies, recommend to the Board appropriate actions based on the review of the reports submitted to/by Compliance Office and ensure that compliance issues are resolved expeditiously; and e. Review the regular reports submitted by Compliance Office as well as reports on significant compliance issues, general status of Bank's level of compliance, relevant regulations, updates and other compliance matters. 8. **Oversee the preparation of the Bank's Annual Report (AR) and ensure, through the Compliance Office, that the Bank fully complies with the disclosure requirements of the quarterly published Balanced Sheet.** The CGCom shall ensure that the Bank fully discloses the minimum disclosure requirements per existing regulations, as delegated by the Board. 9. **Help Institutionalize Sustainability Framework.** The CGCom shall assist the Board of Directors in institutionalizing the adoption of sustainability principles (including environmental and social concerns) by incorporating them in the Bank's Corporate Governance framework and by overseeing the Bank's compliance with sustainability-related rules & regulations and standards issued by the Securities and Exchange Commission (SEC) and the Bangko Sentral ng Pilipinas (BSP). 10. **Oversee the implementation of the Bank's Policy on Interlocking Positions**, as follows: a. Ensure that the Bank's Policy on Interlocking Positions is duly implemented and review and endorse for Board approval any changes proposed to be effected thereof to ensure that it remains relevant vis-à-vis recent regulatory updates and industry best practices; b. Evaluate and decide, subject to the Board's confirmation, whether or not to approve new interlocking positions of incumbent directors prior to their acceptance thereof; c. Evaluate and endorse for the Board's approval interlocking positions of newly elected directors; d. Evaluate and decide, as the case may be, whether or not to allow the Bank's Chief Compliance & Data Protection Officer (CCDPO) as well as the Chief Risk & Sustainability Officer (CRSO), Chief Audit Executive (CAE) and the Fraud Management Group Head as endorsed by the Risk Oversight Committee (ROC) and the Audit Committee (AC), respectively, to accept a directorship position in other companies within or outside the MBTC Group or another CCDPO,CRSO and CAE position in the same capacity within the MBTC Group; and e. Conduct annual performance evaluation on all directors (and the CCDPO as the case may be) with interlocking positions, if so approved/allowed above,in order to determine if they are still able to and have been adequately and effectively carrying out their duties and responsibilities in the Bank without conflict of interest nor any adverse impact. 11. **Provide high-level compliance oversight on affiliate-Sumisho Motor**

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	Finance Corporation (SMFC) with respect to any significant regulatory compliance issues/exceptions/concerns cited by SMFC's Internal/External Auditors and regulators. 12. **Note and oversee "non-material" outsourcing and in-sourcing service arrangements as assessed and approved by the Management-level Outsourcing Oversight Committee (OOC).**
Composition:	The CGCom shall be composed of ***at least three (3) members, all of whom should be independent directors, including its Chairperson*.** It is supported by the Bank's Compliance Office. As a general rule, a member may only serve for a maximum cumulative term of nine (9) years to be reckoned starting 2018. Any extension beyond 9 years shall be duly justified and subject to the approval of the Board of Directors, except for members who are Independent Directors being subject to the regulatory term limit of nine (9) years.[1] The CGCom members shall be appointed annually by the Board of Directors.
Quorum / Majority Votes:	A majority of the CGCom members present, whether physically in person or, to the extent permitted by law, through electronic medium or telecommunications, such as video or teleconferencing, where the members who are not physically present are located at different local or international places, shall be necessary to constitute a quorum at any meeting. When a quorum is present at any such meeting, a majority vote shall decide any matters submitted for the CGCom's disposition. All CGCom members shall have voting rights.
Meeting Schedule:	The CGCom shall convene and meet ***at least on a monthly basis*** and as soon as the need arises, either physically in person or through teleconferencing or videoconferencing on such date and venue as may be called for by the Chairperson or upon the request of the majority of the members. As may be deemed necessary by the CGCom depending on the meeting agenda, other personnel may be invited to attend its meetings as resource persons or presenters such as the Customer Experience and Human Resources Group (HRG) Head for personnel matters e.g. remuneration/compensation, succession planning, etc.
Facilitator & Secretariat:	As Compliance Office's designated Board-level reporting line, Compliance Office shall assist the CGCom in fulfilling its corporate governance mandates and other related activities. Thus, the Chief Compliance & Data Protection Officer (CCDPO) shall regularly report to the CGCom on compliance matters including corporate governance issues and concerns. The CCDPO shall also serve as the CGCom Secretary and facilitate its meetings. As such, he shall prepare the agenda for each meeting, send out notices to the committee members at least five (5) banking days before the scheduled meeting date and prepare and submit the pertinent reports as

[1] Per BSP Memorandum No. M-2021-025 re: Non-Extension of Term Limit for Independent Directors

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	may be required by the Board of Directors OD and/or the CGCom. The CCDPO shall likewise draft and distribute the CGCom Minutes of Meeting for review/approval of the members as well as maintain on file such records e.g. minutes or summary of matters reviewed and decisions taken that document the CGCom's fulfillment of its responsibilities and facilitate the assessment of the effective performance of its functions. The use of e-signatures in signing off the CGCom Minutes of Meeting may be allowed by the CGCom provided that such electronic/digital sign-offs signifying the members' approval thereof are duly supported by the members' approval/clearance either via e-mail or other electronic means.
Performance Assessment:	The CGCom shall evaluate/assess its performance ***at least annually within the first quarter of the year***. The results of which shall be submitted/reported to the Board during the following month's Board Meeting.
Charter Review:	This CGCom Charter shall be reviewed and/or updated by Compliance Office *at least annually* and as soon as necessary to ensure its continuing effectiveness subject to the CGCom's endorsement for the Board of Directors' approval or, in case there are no changes/updates or if there are changes but are just minor/insignificant, the CGCom's approval subject to confirmation of the Board of Directors.
Reporting to the Board:	The CGCom, on its own or through Compliance Office, shall report to the Board of Directors any significant matters and developments concerning compliance and corporate governance as necessary.
Interaction with Other Board/Management-Level Committees:	The CGCom may interact or coordinate with other Board or Management-level committees on matters concerning compliance and corporate governance as necessary.
Last Reviewed and Updated:	**22 October 2026** – via CGC approval and Board confirmation since no changes effected

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